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TAGS: [PREL](#) [PGOV](#) [PINR](#) [IR](#) [SA](#) [IZ](#)  
SUBJECT: ALLAWI BACK IN IRAQ; SEEKS TO BUILD CENTRIST  
COALITION

Classified By: Ambassador Zalmay Khalilzad for reasons 1.4 (b) and (d).

¶1. (C) Summary: Back in Baghdad after a prolonged absence, Former Prime Minister Ayad Allawi told the Ambassador February 16 he intended to re-enter Iraqi politics and build a centrist, issues-based coalition. Allawi said that regional leaders are increasingly frustrated with the GOI and the future of USG-Iran relations. Former IGC President and prominent Iraqiya List member Adnan Pachachi, who had been traveling with Allawi, said that their conversations with Iraqi leaders since their arrival indicated that an Allawi-led alliance could attract broad based support. DPM Barham Saleh, also present at the meeting, opined that Iraq was at a crossroads, and the conditions might be right for a centrist coalition to take root. All agreed that building consensus on a good de-Ba'athification reform law would be the best starting point for Allawi. End Summary.

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REGIONAL LEADERS FRUSTRIED WITH GOI, WORRIED ABOUT IRAN  
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¶2. (C) Allawi reported that regional leaders, especially in the Gulf, are concerned about USG "escalation" against Iran. By the same token, he continued, they are worried that the Iranian stance was softening, and that a US-Iran compromise deal was in the making. Allawi said he had received reports from the Iraqi border that the Iranian Embassy in Baghdad had closed its doors, and all its "diplomats" had returned to Iran. Allawi said that SCIRI head Abdel Aziz Al Hakim's trip to the UAE was "a disaster." The Emiratis reportedly told Allawi that their meeting with Hakim confirmed he was an Iranian agent.

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IRAQ READY FOR A CENTRIST COALITION?  
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¶3. (C) The Ambassador discussed efforts to build an issues-based moderate front composed of key leaders from various blocs. He pointed out that the Presidency Council and PM Maliki recently agreed to narrow the size of the Policy Council for National Security (PCNS), institute a Secretariat that would track decisions, and cooperate on key

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issues such as passage of an oil law, constitutional review, and de-Ba'athification reform.

¶4. (C) Allawi said he thought that it might be too late for such an initiative, as the entire government had proved itself to be a failure. Pachachi questioned whether the various parties involved could agree on these issues, and argued that religious sectarian parties inherently had no place in a centrist coalition.

¶5. (C) DPM Saleh disagreed, arguing that the "time was right"

for a centrist coalition to take hold. Iraqis were tired of sectarian politics, Saleh said. The Baghdad Security Plan is showing results, and the decrease in sectarian violence would create a space for moderates to come together. Further, with the US finally "awakening to the reality of Iran", the pressure of Iranian interference would also decrease.

¶6. (C) Further, Saleh continued, it had become clear that the US presence was not open-ended or unconditional - an added impetus for Iraqis to find a political middle ground. Given these factors, Saleh said, Allawi would find many allies in building such an issues-based coalition. Saleh said that since Allawi was "part opposition, part government", he was best placed to lead such a coalition.

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DE-BA'ATHIFICATION LAW GOOD STARTING POINT  
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¶7. (C) The Ambassador told Allawi that President Talabani has provided that the Presidency Council intended to pass a third version of the de-Ba'athification reform law to the CoR for its consideration. Allawi said that the Presidency Council would not follow through, because while VP Abdel Mahdi "on a personal level" favors reforming the Higher National De-Ba'athification Commission, pressures from SCIRI would not allow him to come out officially with such a stance. De-Ba'athification reform is an issue where a supportive political majority could be formed, the Ambassador argued, but it required leadership. DPM Saleh and Pachachi agreed that this would make a good issue for Allawi to start with.

¶8. (C) Comment: Aside from some regional travel in the next month, Allawi has indicated that he intends to stay in Iraq. If Allawi remains and takes on this centrist political project, his return has the potential to be politically

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significant. Given the current disillusionment with the GOI and popular perception of Allawi a secular alternative, a centrist movement with Allawi at the helm, could gain substantial momentum. Whether Allawi will rise to the challenge - or revert to his isolationist, wildly-traveling state - remains an outstanding question.  
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